

## Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 INT-05 GSA-01 L-03 EB-07 COME-00

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R 282103Z JUL 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 4641

INFO AMEMBASSY OTTAWA

USSOUTHCOM

PAN CANAL

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EO 11652: N/A

TAGS: EMIN, PN

SUBJ: MINING: CERRO COLORADO COPPER PROJECT

REF: PANAMA 4150

1.COMMERCE MINISTRY ISSUED A STATEMENT JULY 25 DENYING ASSERTION THAT GOP HAD ALREADY ENTERED INTO FORMAL CONTRACT WITH TEXAS GULF FOR THE EXPLOITATION OF CERRO COLORADO COPPER DEPOSIT. STATEMENT INDICATED A WIRE SERVICE REPORT FROM MONTREAL HAD MADE THIS ASSERTION AND ALLEGED AS WELL THAT AGREEMENT WITH TEXASGULF WAS ANNOUNCED BEFORE NORNADA MINES LTD. HAS PRESENTED ITS FINAL PROPOSAL TO THE GOP. MINISTRY STATEMENT SAID THAT GOP ONLY HAD AGREEMENT IN PRINCIPLE WITH TEXASGULF THUS FAR, THAT THE GOP'S SPECIAL COMMISSION HAD BEEN NEGOTIATING WITH NORANDA BUT FOUND THE COMPANY'S CONTRACT DEMANDS EXORBITANT, AND THAT NORANDA WAS NOT PREPARED TO ACCEPT PART OF RISK IN VENTURE AS WAS TEXASGULF. STATEMENT ALSO DENIED ALLEGATION IN SAME WIRE SERVICE REPORT THAT GOP HAD EXPROPRIATED CANADIAN JAVELIN'S INTEREST IN THE CERRO COLORADO PROJECT, REITERATING FACT THAT CANADIAN JAVELIN HAD BEEN GIVEN FIRST OPTION IN NEGOTIATIONS FOR AN EXPLOITATION CONTRACT, BUT AGREEMENT WAS NOT REACHED.

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MINISTRY STATED THAT GOP IS AWAITING PROOF FROM CANADIAN

JAVELIN OF LEGITIMATE EXPENSES CONNECTED WITH ITS EXPLORATION OF THE CERRO COLORADO DEPOSIT; THESE EXPENSES PLUS AN ADDITIONAL COMPENSATION WHICH TAKES INTO ACCOUNT THE RISKS TAKEN WILL THEN BE PAID THE COMPANY.

2. COMMENT: LOCAL CANADIAN JAVELIN REP EARLIER INDICATED TO EMBOFF THAT NORANDA FELT IT HAS BEEN GIVEN RAW DEAL, AND TEXAS-GULF REP EXPRESSED SOME SURPRISE THAT ANNOUNCEMENT OF AGREEMENT IN PRINCIPLE WAS MADE BY GOP AS EARLY AS IT WAS. HOWEVER, BOTH TEXASGULF REP AND PRINCIPAL SPOKESMAN FOR GOP SPECIAL COMMISSION FOR CERRO COLORADO HAVE PRIVATELY EXPRESSED OPTIMISM CONCERNING PROSPECTS FOR AGREEMENT ON A FORMAL TEXASGULF-GOP CONTRACT BY THE END OF AUGUST, RECOGNIZING, HOWEVER, THAT THE PROBLEM OF INDEMNIFYING CANADIAN JAVELIN REMAINS A MAJOR STUMBLING BLOCK.  
JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, MINING INDUSTRY, PROGRAMS (PROJECTS), NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 JUL 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Subject:** MINING: CERRO COLORADO COPPER PROJECT  
**TAGS:** EMIN, PN, CERRO COLORADO, TEXASGULF INC  
**To:** STATE  
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